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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY

Guatemala/Nicaragua

REPORT NO. 00-B-68314

SUBJECT

SOMOZA S PCIAS HISTORICAL REVIEW PROGRAM

PLACE ACQUIRED (BY SOURCE)

Managua

RELEASE AS SANITIZED

DATE ACQUIRED (BY SOURCE)

mid-Aug 53

DATE (OF INFO.) mid-Aug 53

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CD NO.	
00/C NO.	
ORR. NO.	
DAS NO.	
OCI NO.	

DATE DISTR. 3 Sep 53

NO. OF PAGES

NO. OF ENCLS.

SUPP. TO REPORT NO.

SOURCE US citizen. Banking executive of a US corporation which does business in the Central American countries.

His business interests require periodic trips to Central America and extensive dealings with government officials. During August 1953 he visited San Salvador, Guatemala City, San Jose and Managua for conferences with minor officials of his corporation and with representatives of the respective governments. He speaks Spanish haltingly but understands spoken Spanish quite well.

- 1. General Somoza of Nicaragua plans to accomplish the overthrow of the Arbenz government in Guatemala during October 1953. The leader of the revolutionary forces will be a Col Prado (fnu) who was formerly an officer in the Guatemalan army and who is now a political exile in El Salvador. Munitions and sircraft for the revolutionary forces were acquired in the US during the late spring and early summer of 1953 by one of Somoza's sides. Somoza expects encouragement and possibly a small amount of actual support from the governments of El Salvador and Honduras. He believes that Mexico will remain strictly neutral. He thinks that the sympathies of Figueres will be with Guatemala but that he will probably do nothing effective.
- The foregoing information was given to me, during the course of several conversathe Nicaraguan army. tions in Managua,

a post which provides an excuse for frequent travel to the surrounding countries. Moreover, I enjoys a close personal relationship with Somoza

He is a graduate of the military academy in Managua and L appears to be one of the most popular officers in the Nicaraguan army. I have known him fairly well for about four years and I have always found him reliable. I believe that his statements to me concerning Somoza's intentions toward Guatemala are true and accurate.

To expatiate on the information in the first paragraph above: said that Somoza had been increasingly worried for the past several years over the trend of events in the other Central American countries. He saw the situation going from bad to worse in Guatemala, he foresaw a socialistic regime in Costa Rica under

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Figueres and he feared that the <u>laissez-faire</u> policies of <u>Galvez</u> would ultimately encourage communist infiltration into <u>Honduras</u>. Someza envisaged himself being caught in the middle, with leftist governments on all sides of him. He hoped for a long time that the US would do something to turn the tide, particularly in Guatemala where pressure could have been so easily exerted, but he has now decided that if anything is to be done he will have to do it, and he has laid his plans accordingly.

- Jespent about 60 days during the late spring and early summer of 1953 in the US. He told me that on that trip he had purchased machine guns, rifles, ammunition, some P-38s and some P-51s, ostensibly for the Nicaraguan government but actually for the use of the revolutionists. He did not mention any quantities and I did not think it politic to press him. He said that he was sure that what he had bought would be sufficient for the revolutionaries needs. He also expressed confidence in the ability of Col. Prado to lead the revolution to a successful conclusion. I asked whether he thought the Guatemalan army would remain loyal to Arbenz. He replied that Somoza thought the Guatemalan army was reasonably loyal and that it would remain so as long as Arbenz was alive. He intimated that the revolution would be inaugurated by the "removal" of Arbenz and some of his chief supporters. After that had been accomplished Somoza believed that the prestige of Col Prado would be sufficient to assure the defection of all, or at least the major part, of the Guatemalan armed forces.
- 5. Nicaraguan troops will actively support the revolutionaries, but in an unofficial way only. That is, they will not wear Nicaraguan uniforms or insignia and will not be officially identified as members of the Nicaraguan armed forces. Somoza expects the revolution to become a fait accompli before any of the Central American countries have time to intervene. I asked what Somoza would do if Figueres, for example, went to Arbenz assistance. and the wasn't sure but he guessed that in such case Somoza would probably take an active and official part.